

CITY OF MIAMI BEACH

CITY HALL 1700 CONVENTION CENTER DRIVE MIAMI BEACH, FLORIDA 33139
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COMMISSION MEMORANDUM

To: Mayor David Dermer and
Members of the City Commission

Date: October 19, 2005

From: Jorge M. Gonzalez
City Manager

Subject: REPORT OF THE SPECIAL FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING OF OCTOBER 6, 2005.

A special meeting of the Finance and Citywide Projects Commission Committee (Committee) was held on October 6, 2005 at 12:24 p.m. in the City Manager's Large Conference Room.

NEW BUSINESS:

1. Discussion regarding the City of Miami Beach and the Communication Workers of America (CWA) Bargaining Unit outstanding pension issues.

ACTION

The Committee recommended the following pension benefit improvements/changes for Tier A (only) CWA/classified employees:

- A 10% cap be placed on pensionable overtime for CWA/Classified employees;
- A two-year pension buy-back be made available for employees with government, military or similar private sector experience;
- Employees who have reached their maximum pension benefit accrual (90% based on years of service) but who have not yet reached retirement age, will continue to contribute to the pension plan, but only for that portion of their salary which is incrementally higher than their salary at the time they reached their maximum pension benefit accrual;
- A two-year early out window for those Tier A Classified employees ages 48 and 49 which allows employees to retire early, but with no service credit;
- Allow employees the option of a partial lump sum distribution;
- Allow employees promoted from classified to unclassified positions, the option to remain in the classified pension system.

Further, the Committee conceptually supported the City's proposal for Tier B employees, which included:

- Reducing the retirement age from 60 to 55;
- Improving the vesting requirement from 10 years to 5 years;
- A two-year pension buy-back be made available for employees with government, military or similar private sector experience;

Agenda Item CGF

Date 10-19-05

- Improving the Final Monthly Average Earnings (FAME) from a calculation of the average of the three years to the average of the two highest years;
- Reducing the employee pension contribution from 10% to 8%;
- Allow employees the option of a partial lump sum distribution;
- Allow employees promoted from classified to unclassified positions, the option to remain in the classified pension system;
- Employees who have reached their maximum pension benefit accrual (80% based on years of service) but who have not yet reached retirement age, will continue to contribute to the pension plan, but only for that portion of their salary which is incrementally higher than their salary at the time they reached their maximum pension benefit accrual.

In addition, the Committee directed the Administration to meet with representatives of the CWA and also from the other civilian bargaining units (AFSCME and GSA) to study and discuss possible 401A migration methods and related cost estimates (this meeting was scheduled for Friday, October 14, 2005).

Chairman Jose Smith introduced and summarized the item. Chairman Smith stated that similar to the September 14, 2005 Committee meeting, both parties, the CWA and the Administration, would be given an opportunity to make a presentation to the Committee.

Representing the CWA Bargaining Unit, Mr. Robert A. Sugarman, from the firm of Sugarman & Susskind, stated that he has received a copy of the Administration's citywide pension analysis summarized in Letter to Commission No. 257-2005. He further stated that the CWA proposed plan is approximately within five percent of the total citywide costs presented by the Administration.

City Manager Jorge M. Gonzalez stated that the Administration met with CWA representatives on October 3, 2005 to discuss the pension analysis.

Mr. Gonzalez stated that the Administration's goals have been to be fair to all affected employees, make the pension plans as similar as possible for all affected employees, maintain fiscal responsibility, and benefit as many employees as possible.

The Administration distributed a document entitled "Pension Proposal Comparison". Mr. Gonzalez directed the Committee to page 12 and 13 of the document where a listing of the proposed pension plans are enclosed.

Mr. Gonzalez summarized the proposed changes (Attachment I). The Committee discussed the proposed changes.

Commissioner Luis R. Garcia Jr. asked if there is any conflict of interest for the Committee and the City Commission to be voting for these benefits as some members of the City Commission may stand to benefit from such action.

Deputy City Attorney Jean Olin stated that there is no conflict of interest because the Committee and the City Commission are discussing benefits for over 100 city employees.

Mr. Gonzalez stated that of the \$3.7 million anticipated yearly pension costs; approximately \$2.2 million is a result of merging classified and unclassified 401A employees into the defined benefit plan.

Commissioner Saul Gross asked if any financial counseling was going to be given to City employees in making a decision in whether to switch from the 401A to the defined benefit plan.

Mr. Gonzalez stated that the City will provide information to employees about the options available so that employees may make an informed decision. He added that the City would recommend that employees also seek outside financial advice.

Commissioner Garcia stated that in order to migrate into the pension system, 401A employees should have to buy into the system instead of bringing in their full account balances.

Mr. Steve Palmquist, from the firm of GRS & Co., Actuary for the Classified and Unclassified City of Miami Beach Pension Boards, stated that actuarial reports actually show that bringing in the 401A employees into the defined benefit plan with their current account balances as opposed to requiring them to buy into the system has very little actuarial cost difference.

Mr. Gonzalez stated that compared to the last CWA pension proposal which totaled approximately \$7.2 million, the Administration's proposal of \$3.7 million is equitable, fair, and fiscally responsible.

Mr. Sugarman stated that Florida Statutes require the CWA to collectively bargain for their pension benefits, but now it appears the union is carrying along other classified and unclassified employees. Mr. Sugarman added that most of the funds in the Administration's proposal are earmarked for non CWA employees.

Mr. Sugarman further stated that if the City's goal is internal uniformity between the Classified and Unclassified Pension Systems, then the "Olive Branch Proposal" should be re-considered.

Mr. Sugarman questioned some of the savings and calculations listed in the Administration's proposal.

Mr. Gonzalez stated that the calculations forwarded to the CWA were footnoted that benefits were not accumulated, as more time was necessary to accurately calculate actuarial figures.

The CWA distributed a document entitled "Pension Proposal Settlement" (Attachment II.) Mr. Sugarman summarized the proposed settlement.

The Committee discussed the thorough City-wide review of the numerous pension plans that affect the civilian bargaining units, including the Communications Workers of America (CWA), the American Federation of State, County and Municipal Employees (AFSCME), the Government Supervisors Association (GSA), the non-unionized Classified employees and the Unclassified employees.

This review was done with the goals of (1) being fair to all affected City employees, (2) making the pension plans as similar as possible for all affected employees, (3) maintaining fiscal responsibility and (4) benefiting as many employees as possible. Approximately 75% of our civilian employees are currently in either Tier B of the pension system or the 401A

plans and a minority of our employees, approximately 25%, is in the Tier A pension system. Further, of the 225 current members of the Classified Tier A pension, 149 employees (or approximately 66%) are currently today, or will have reached retirement age within five (5) years.

The Committee noted that since one of the goals is an attempt to equalize the City's five (5) civilian pension plans, it is important to note that it is more expensive to equalize those plans that currently have lower benefits than those pension plans that currently contain richer benefits.

The Committee discussed the part of the City proposal which includes the merging of the Unclassified and Classified pension systems, which will result in administrative and other cost savings to the City. The City has made every attempt to not only consider the CWA's recommendations for their particular bargaining unit, but to include the interests of all affected City employees in this very important benefit recommendation. The CWA withdrew the pension proposal made at the September 14, 2005 Finance Committee Meeting, and brought what appears to be a revised version of their prior pension proposal (Olive Branch Proposal) that had previously been submitted at the August 1, 2005, Commission meeting.

Elizabeth Judd, representative for the American Federation of State, County, and Municipal Employees (AFSCME) addressed the Committee.

Willie Sanders, representative for the Government Supervisors Association of Florida (GSA) addressed the Committee.

Handout or Reference Materials

1. Document titled: "Pension Proposal Comparison", submitted by the Administration
2. Document titled: "Pension Proposal Settlement", submitted by CWA Local 3178
3. Document titled: "CWA Pension Proposal Comparison", submitted by CWA Local 3178
4. Email dated October 5, 2005 from Rick Rivera, Pension Administrator for the General Employees and Unclassified Employees & Elected Officials Retirement Systems, submitted by CWA Local 3178
5. Sign-In Sheet for October 6, 2005 Special Finance and Citywide Projects Committee Meeting

JMG/PDW/mm 
T:\AGENDA\2005\October 19, 2005\CONSENT\FCWP 10-06-05 Report

ATTACHMENT 1

From Nomin.



1975 Primary Election Results

Public Employer Pension Comparison (page 1 of 2)

Public Employer	Annual Multiplier	Maximum Comparable % Benefit	Vesting	Retiree COLA	Retirement Age	Employee payroll contribution	Retiree Health Benefits
Miami Beach Bifurcation Dates AFSCME 4/30/83 CWA 2/21/94 OTHERS 6/1/93 GSA 8/1/93	Tier A - 15yrs @ 3%. 4% until max Tier B - all years at 3%	90% max benefit - Tier A 80% max benefit - Tier B Employee works <u>To achieve</u> 90% benefit 28.25 years 26.6 years	Tier A - 5 years Tier B - 10 years step vesting (10% per yr)	2.5% compounded	Tier A - Age 50 Tier B - Age 60	10%	City pays 50% (retirees & dependents) Employee eligibility – 401A – immediate (except AFSCME & GSA are 10 yrs) Pension – at retirement age
Miami	3% for all years of service	100% max benefit <u>To achieve</u> Employee works 90% benefit If employee worked 26.25 yrs, benefit would be 78.75%	10 years	4% - simple	Rule of 70 (age + years of service)	10%	City pays 25% for employee & spouse Emp. eligible – at retirement age
Sunrise	4% (1-10 yrs) (plus 1% ② 10th yr = 41% - 10 yrs) 2% 11th yr until max (plus 1% at 20th yr = 62% - 20 yrs)	100% max benefit Employee works <u>To achieve</u> 34 years 90% benefit If employee worked 26.25 yrs, benefit would be 74.5% 75% (max benefit)	5 years	No COLA – receive a 13th check. As of 10/04 – guarantee can be no less than 50%. As of 10/07 - 13th check is a 75% guarantee	Age 58 w/ 5 yrs of sv. Age 55 early (penalty)	8% (unless City's contributions exceeds 14% of payroll, then employees pay 50% of all excess over 14%)	City provides a flat \$200 per month for health insurance (nothing additional for dependents).
Hialeah	3% for all years of service	Employee works <u>To achieve</u> 25 years 75% benefit If employee worked 26.25 yrs, benefit would be 78.75% (maxed at 75%)	10 years	2% (up to 10 years, then no COLA) – Simple	Rule of 70	7%	City pays 100% for employee and between 15%-17% for family Emp. eligible – retirement age
Hollywood	3% for all years of service	81% max benefit Employee works <u>To achieve</u> 81% benefit If employee worked 26.25 yrs, benefit would be 78.75%	5 years	2% per year starting on third year of retirement anniversary - compounded	55 w/ 5 yrs of sv. Or 25 yrs regardless of age	7%	Before 1987 – no contribution After 1987, City pays 100% for employee and 50 for dependents Emp. eligible – retirement age
North Miami	3% for all years of service	100% max benefit <u>To achieve</u> Employee works 90% benefit If employee worked 26.25 yrs, benefit would be 78.75%	10 years step vesting (10% per yr)	1.2% to 3% If an emp waits 1 yr – 1.2% If an emp waits 3 yrs – 2.5% If an emp waits 5 yrs – 3% Compounded	Age 55 with 20 years of sv or Age 62 w/ 10 yrs of sv. Early retirement – Age 55 and 10 yrs of sv or date when you complete 14 yrs of sv.	7%	City does not contribute, employee covers 100% of insurance cost.

Public Employer Pension Comparison (page 2 of 2)

Public Employer	Annual Multiplier	Maximum Comparable % Benefit	Vesting	Retiree COLA	Retirement Age	Employee payroll contribution	Retiree Health Benefits
Fort Lauderdale	3% for first 25 years, 2.5% for next 6 yrs, max of 31 yrs.	90% max benefit Employee works To achieve 31 years 90% benefit If employee worked 26.25 yrs, benefit would be 78.125%	5 years	Vary from year to year (adjustments are made on a yr to yr basis with a recommendation from the pension board based on increases above & beyond the actuarial rate) compounded (last increase record 2001 - 3.5%)	Age 55 or 30 yrs of service	6%	Before Oct. 2002, City provides \$150/mo to employee After Oct. 2002, City provides \$200/mo to employee (nothing additional for dependents). Emp. eligible at retirement age.
Coral Gables	3% for all years of service	75% (max benefit) To achieve 75% benefit If employee worked 26.25 yrs, benefit would be 78.75% (maxed at 75%)	10 years	Rate of plan return must be at least 10% for a retiree COLA. Retiree COLA changes year to year, simple based on CPI - 1.2% (LY)	Rule of 70	5%	City does not contribute, employee covers 100% of insurance cost.
Broward County (FRS)	1.60% for all years (= 48% @ 30 yrs)	100% max benefit Earn 1.60%/yr up to age 62 or 30 yrs sv. To achieve 90% benefit If employee worked 26.25 yrs, benefit would be 42%	6 years	3% - simple	Age 62 or 30 years of service regardless of age	0%	County does not contribute, employee covers 100% of insurance cost.
Miami-Dade County (FRS)	1.60% for all years (= 48% @ 30 yrs)	100% max benefit Earn 1.60%/yr up to age 62 or 30 yrs sv. To achieve 90% benefit If employee worked 26.25 yrs, benefit would be 42%	6 years	3% - simple	Age 62 or 30 years of service regardless of age	0%	*FRS provides a Health Insurance Subsidy (HIS) if eligible for health coverage. Maximum \$150/mo. Employee must apply within 6 months of retirement.

Comparison of Current Miami Beach Pension Plans (page 1 of 2)

	Police & Fire	Classified Bifurcation Dates AFSCME 4/30/93 CWA 2/21/94 OTHERS 8/1/93 GSA 8/1/93	Unclassified Bifurcation Date 10/18/92	401 (A)
Retirement Age	Rule of 70 or age 50 with DROP plan	Tier A - 50 Tier B - 60	Tier A - 50 Tier B - 60	55
Vesting	10 years	Tier A - 5 years. (any yrs. At age 62) Tier B - 10 years step vesting - 10 %/yr	Tier A - 5 years Tier B - 10 years cliff vesting - 10 yrs to vest	Immediate
Multiplier	3%/year - up to 15 yrs 4% thereafter	Tier A - 15yrs @ 3%, 4% until max Tier B - all years at 3%	Tier A - 4% for all yrs prior to 1992, 3% for all yrs after Tier B - all years at 3%	N/A
Maximum pension Amount	90%	Tier A = 90% Tier B - 80%	Tier A = 80% Tier B - 80%	Contributions and Investment returns (no guarantee)
Pensionable Overtime	Overtime not to exceed 70% of max pay for next highest classification	Tier A - 100% Tier B - 0%	0%	N/A
Retirement COLA	2.5% compounded	2.5% compounded	Tier A - 1.5% compounded Tier B - 1.5% simple	N/A
Service Connected Disability	85% of current extended salary or accrued benefit if higher	Tier A - 75% of FAME or accrued benefit if higher Tier B - 60% of FAME or accrued benefit if higher	Tier A - 50% of FAME or accrued benefit if higher Tier B - 60% of FAME or accrued benefit if higher	66 2/3% of salary to a maximum monthly benefit of \$5000 (max covered salary of \$90,000(per 1992 ordinance as it applies to the 401))

Comparison of Current Miami Beach Pension Plans (page 2 of 2)

	Police & Fire	Classified Bifurcation Dates AFSCME 4/30/93 CWA 2/21/94 OTHERS 8/1/93 GSA 8/1/93	Unclassified Bifurcation Date 10/18/92	401 (A)
Buy back	Age 50 or Rule of 70 (add'l multiplier at 3%, maximum 6%). Employee pays back 10%/yr up to 2 yrs	N/A	N/A	N/A
FAME	Average of two highest paid years + OT not to exceed 70% of max pay for next highest classification	Tier A - Average of two highest years + no cap on OT Tier B - Average of three highest years	Tier A - Last years salary Tier B - Average of three highest years	N/A
Retiree Health	Vested and not to exceed the ave of the straight line % increase in premiums for the City's plans	Vested and City pays 50% (retirees & dependents)	Vested and City pays 50% (retirees & dependents)	CWA & Others - immediate vesting GSA & AFSCME - 10 yr vesting and City pays 50% (retirees & dependents)
Employee Contribution	10%	10%	10%	10%
Partial lump sum distribution	N/A	N/A	N/A	N/A
No pension impact upon promotions	N/A	Not allowed	N/A	N/A
Allow 401A employees to migrate into pension plans	N/A	N/A	N/A	Not allowed

Proposed City Pension Plans (page 1 of 2)

	Classified		Unclassified	
	Bifurcation Dates		Bifurcation Date	
	AFSCME 4/30/93	CWA 2/21/94	10/18/92	
	OTHERS 8/1/93	GSA 8/1/93		
	Post 2005		Post 2005	
	Tier A	Tier A	Tier A	Tier A
Retirement Age	50	55	50	55
Vesting	5 years. (any yrs. at age 62)	5 years	5 years	5 years
Multiplier	Tier A - 15yrs @ 3%, 4% until max	all years at 3%	4% for all yrs prior to 1992, 3% for all yrs after	all years at 3%
Maximum pension Amount	90%	80%	80%	80%
Pensionable Overtime	10% cap	0%	N/A	N/A
Retirement COLA	2.5% compounded	2.5% compounded	2.5% compounded	2.5% compounded
Service Connected Disability	75% of FAME or accrued benefit if higher	60% of FAME or accrued benefit if higher	60% of FAME or accrued benefit if higher	60% of FAME or accrued benefit if higher
Non Service Connected Disability	35%	35%	35%	35%
Early Out	2 year early out	No	No	No

Proposed City Pension Plans (page 2 of 2)

	Classified Bifurcation Dates AFSCME 4/30/93 CWA 2/21/94 OTHERS 8/1/93 GSA 8/1/93 Post 2005	Unclassified Bifurcation Date 10/18/92 Post 2005	Tier A	Post 2005
Buy back	2 year buy back (limited)	2 year buy back (limited)	2 year buy back (limited)	2 year buy back (limited)
FAME	Average of two highest years	Average of two highest years	Average of two highest years	Average of two highest years
Retiree Health (Pre 2005) (Post 2005) (new employees)	City pays 50% (retirees & dependents)	City pays 50% (retirees & dependents)	City pays 50% (retirees & dependents)	City pays 50% (retirees & dependents)
Employee Contribution	N/A	Fixed stipend	N/A	Fixed stipend
Partial lump sum distribution	10%	8%	10%	8%
No pension impact upon promotions	Available	Available	Available	Available
Allow 401A employees to migrate into pension plans	N/A	Available	N/A	Available

City proposed pension changes	Included in CWA's proposal	Comments
Tier A Classified:		
Buyback prior years service	✓	2 years (gov't/military) window – ages 48-49
Early retirement program	✓	
No pension impact upon promotions	✓	
Partial lump sum distribution	-	up to 25%
10% cap on overtime	-	
Post 2005 Classified:		
Lower retirement age	✓	age 55 average 2 years 5 years
Lower FAME requirement	✓	
Lower vesting requirement	✓	
Portability first 5 years	-	
Buy back prior years service	✓	2 years (gov't/military)
No pension impact upon promotions	✓	
Partial lump sum distribution	-	up to 25%
Decrease employee contribution from 10% to 8%	-	
401A Defined Contribution:		given full credit for service time; bring full balance
Allow 401A employees to migrate into pension plan	✓	
Tier A Unclassified:		
Higher FAME requirement		average of two years 60% of FAME
Increase Service Connected Disability		35% of FAME
Increase Non Service Connected Disability		2.5% compounded
Increase Retiree COLA		2 years (gov't/military)
Buy back prior years service		up to 25%
Partial lump sum distribution		
Post 2005 Unclassified:		
Lower FAME requirement		average of two years 5 years
Lower vesting requirement		age 55 to 2.5% compounded
Lower retirement age		up to 25%
Increase Retiree COLA		2 years (gov't/military)
Partial lump sum distribution		
Portability first 5 years		
Buyback prior years service		
Decrease employee contribution 10% to 8%		
Post 2005 Benefits Proposed:		
Retiree Health	-	post 2005 employees – fixed stipend

CITY PENSION PROPOSAL COMPARISON

(AS APPLIED CITY-WIDE)

- CITY PROPOSAL COST
 - CWA ONLY:
 - \$1,178,000
 - CITY WIDE COST:
 - \$4,511,289
- (\$400,000) (projected savings due to plan combining)
(\$264,230) (GERS wages – employee contribution reduction 10% to 8%)
(\$98,593) (UC wages – employee contribution reduction 10% to 8%)
\$3,748,465/year

CITY PROPOSAL COST - GERS

General Employees Tier A		General Employees Tier B	
	Amount	% of payroll	Amount
Payroll	\$12,390,344		\$12,640,855
Population	225		365
FAME - 2 years	0		0
Multiplier - 3% 1st 15 yrs, then 4%, cap of 90%	0		584,012
Age 50 w/5 yrs of service	0		4.50%
Service Connected Disability 75% of FAME	0		0
100% Vesting - 5 years	0		24,223
COLA - 2.5% compounded	0		0
Non-Service Disability 35% of FAME minimum	0		0
Not Applicable	0		0
Subtotal	0		690,445
2 year buyback (govt/military)	0		5.51%
COLA - 2.5% compounded	0		156,613
Non-Service Disability 35% of FAME minimum	0		1.25%
Not Applicable	0		
Subtotal	0		
2 year buyback (govt/military)	198,703	1.60%	
10% Cap on OT Payroll now = 11,553,987	(504,282)	-4.36%	
2 year early out(1-time window)*	524,080	4.54%	
Total	218,501	1.89%	

401-A Pension Changes	
Uses Grand Total as baseline	
Scenario1: 100% migration	
Payroll	19,555,678
Population	561
Move 401-A into DB under Tier B new members receive credit for all past service, entire account balance transferred to DB	2,303,411 (799,560) 1,503,851
<i>annual reduction to eliminate</i>	<i>7.69%</i>
401A	(701,502)
Net cost of benefit	-3.59%
Total from above	802,349
Total Cost to City	4.10%
Total	1,119,110
	9.83%

CITY PROPOSAL COST - UNCLASSIFIED

Unclassified Employees Tier A		Unclassified Employees Tier B	
Amount	% of payroll	Amount	% of payroll
Payroll Population	\$5,087,156 60	FAME - 2 years Population	\$4,601,045 75
FAME - 2 years	(109,961)	Multplier - 3% all years ; cap of 80%	36,652 0
Multiplier - 3% all years ; cap of 80%-keep pre-'92 earnings	0	Age 55 w/5 yrs of service	179,321 3.90%
Age 50 w/5 yrs of service	0	Service Connected Disability	0
Service Connected Disability	0	60% of FAME	0
60% of FAME	3,950	100% Vesting - 5 years	0
100% Vesting - 5 years	0	COLA - 2.5% compounded	154,246 3.35%
COLA - 2.5% compounded	375,280	Non-Service Disability	0
Non-Service Disability	2,887	35% of FAME minimum	367,306 7.98%
35% of FAME minimum		No Refund of City contribution if no Vesting	-0.06%
No Refund of City contribution if no Vesting		Subtotal	83,192 1.81%
Subtotal	0	2 year buyback (govt/military)	
2 year buyback (govt/military)	89,191	Decrease Employee contribution from 10% to 8%	98,593 2.14%
2 year buyback (govt/military)	89,191	for new employees, City will refund employee contribution & match it (max 5 yrs). After 5 years, employee is in DB and has no option to get refund Total	551,656 11.99%
		401-A Pension Changes	
		Uses Grand Total as baseline	
		Scenario1: 100%	
		migration Payroll Population	17,137,111 250
		Move 401-A into DB under Tier B	4,057,801 1,345,869
		new members receive credit for all past service, entire account balance transferred to DB	2,711,932 15.82%
		annual reduction to eliminate 401A	-7.32%
Total	361,348	Net cost of benefit Total from above Total Cost to City	1,458,325 551,656 2,009,981 8.51% 11.73%

Proposed City Pension Plans with Police & Fire (page 1 of 2)

	Police & Fire	Classified		Unclassified	
		Bifurcation Dates		Bifurcation Date	
Retirement Age	Rule of 70 or age 50 with DROP plan	50	55	50	55
Vesting	10 years	5 years. (any yrs. at age 62)	5 years	5 years	5 years
Multiplier	3%/year - up to 15 yrs 4% thereafter	15yrs @ 3%, 4% until max	all years at 3%	4% for all yrs prior to 1992, 3% for all yrs after	all years at 3%
Maximum pension Amount	90%	90%	80%	80%	80%
Pensionable Overtime	Overtime not to exceed 70% of max pay for next highest classification	10% cap	0%	N/A	N/A
Retirement COLA	2.5% compounded	2.5% compounded	2.5% compounded	2.5% compounded	2.5% compounded
Service Connected Disability	85% of current extended salary or accrued benefit if higher	75% of FAME or accrued benefit if higher	60% of FAME or accrued benefit if higher	60% of FAME or accrued benefit if higher	60% of FAME or accrued benefit if higher
Non Service Connected Disability	Accrue 3%/yr first 15 yrs, then 4%, with a max of 90%	35%	35%	35%	35%
Early Out	No	2 year early out (1 time window)	No	No	No

Proposed City Pension Plans with Police & Fire (page 2 of 2)

	Police & Fire	Classified		Unclassified	
		Bifurcation Dates AFSCME 4/30/93 CWA 2/21/94 OTHERS 8/1/93 GSA 8/1/93	Post 2005	Tier A	Post 2005
Buy back	Age 50 or Rule of 70 (add'l multiplier at 3%, maximum 6%). Employee pays back 10%/yr up to 2 yrs	2 year buy back (limited)	2 year buy back (limited)	2 year buy back (limited)	2 year buy back (limited)
FAME	Two highest paid years	Average of two highest years	Average of two highest years	Average of two highest years	Average of two highest years
Retiree Health (Pre 2005) (Post 2005) (new employees)	Vested and not to exceed the ave of the straight line % increase in premiums for the City's plans	City pays 50% (retirees & dependents)	City pays 50% (retirees & dependents)	City pays 50% (retirees & dependents)	City pays 50% (retirees & dependents)
Employee Contribution	N/A	N/A	Fixed stipend	N/A	Fixed stipend
Partial lump sum distribution	10%	10%	8%	10%	8%
No pension impact upon promotion	N/A	Available	Available	Available	Available
Allow 401A employees to migrate into pension plans	N/A	N/A	Available	N/A	Available

PENSION PROPOSAL SETTLEMENT

ATTACHMENT 2

10/06/2005

Pension Improvements applicable to

1. TIER A

- Drop
- Two-year buy-back

2. Tier B

- Consolidating Tier B into current Tier A without overtime.
- Drop

3. Applicable to 401 A

Employees enrolled in the 401-A on the Execution Date of this contract shall be given a three (3) month window period after the City Commission ratifies this agreement, to elect to enroll in the General Employees Retirement System based on the new Tier B benefits. For employees who choose to enroll in the General Employees Retirement System shall be allowed to purchase service credit time in the same manner and rate as employees currently in the System.

CWA PENSION PROPOSAL

COMPARISON (AS APPLIED CITY-WIDE)

- 8/1/05 CWA PROPOSAL
 - 9/14/05 CWA PROPOSAL
(presented to Finance Committee)
- CWA ONLY:
\$1,602,000
- CITY WIDE COST:
\$4,777,000
- CWA ONLY:
\$2,258,000*
- CITY WIDE COST:
\$6,515,963*

Note: * Not accumulated benefits

From CWA

From: Rivera, Rick [mailto:RickRivera@miamibeachfl.gov]
Sent: Wednesday, October 05, 2005 11:44 AM
To: richard
Subject: RE: Cost saving of merging the plans
Importance: High

Dear Richard,

Below is a detailed analysis of projected administrative expense savings if the General and Unclassified plans merged. With additional information or assistance I can pursue the matter further to find additional cost savings.

Estimated Savings of merging the pension plans

	<u>Estimated Annual Savings</u>
Actuary	No response as of yet
Auditors	\$ 5,000
Bookkeeper	negligible
Custodial Bank	negligible
Fiduciary Liability Ins.	\$ 2,500
Investment Managers	\$ 9,500
Board Attorney	\$ 625
TOTAL	\$17,625.00

Please contact me if you have any questions.

Rick

MIAMIBEACH

Rick Rivera, Pension Administrator

General Employees Retirement System

Unclassified Employees & Elected Officials Retirement System

1700 Convention Center Drive, Miami Beach, FL 33139

Tel: 305-673-7437/ Fax: 305-673-7297 / www.miamibeachfl.gov

We are committed to providing excellent public service and safety to all who live, work and play in our vibrant, tropical, historic community.

-----Original Message-----

From: richard [mailto:rmckinnon@cwa3178.org]
Sent: Monday, October 03, 2005 9:31 PM
To: Rivera, Rick
Subject: RE: Cost saving of merging the plans

Thanks

From: Rivera, Rick [mailto:RickRivera@miamibeachfl.gov]
Sent: Monday, October 03, 2005 12:04 PM

From cwa

ATTENDANCE SHEET
SPECIAL MEETING OF THE FINANCE AND CITYWIDE
PROJECTS COMMISSION COMMITTEE

DATE: - OCTOBER 6, 2005 TIME: - 12:00 PM

PLEASE STATE YOUR NAME WHEN SPEAKING TO THE COMMITTEE - THANK YOU

PLEASE PRINT NAME	BUSINESS NAME & PHONE
Darrin Hinman	Gabriel, Roeder, Smith & CO (354) 527-1616
Steve Palmquist	" "
Willie Sanders	C.S.A "Rep"
Joseph Fisher ROBERT SUGARMAN	C.W.A. V.P. CWA Atty - Sugarmen & Susskind 305-529-2801
Warren Green	C.W.A. EXECUTIVE BOARD C.S.
Ed Delfavero	FIRE
ERIC YUHR	FIRE
Mike Brady	FIRE
MARC JACOBSON	BAC
JONATHAN SINKE S	CWA REF
Clinton Duplode	P/W STREET
JOHN HEFFERNAN	Mayor's COMMISSION
Jorge Gomez	Chair Unclassified Pension
Rick Rivera	Pension Admin. - gen/UNC
Phyllis Shamis	CWA Secretar!
Yvonne W. Sepulveda	Asst to Comm. BOWER TEL 6091

ATTENDANCE SHEET
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PLEASE PRINT NAME	BUSINESS NAME & PHONE
Dolores MEJIA	CMB - ext. 7103 / 6834
Jean Olin	" Legal X 6485
Rachel Lieb	CMB ext. 6722
Deborah Turner	Legal X 6441
Jose Smith	CMB
MANNY MARQUEZ	CMB- FINANCE X 7405
RICHARD STEINBERG	II COMM.
MATTI N. BOWER	II II
SIMON CRUZ	II II
LUIS GARCIA	II II
SAUL GROSS	II II
JORGE GONZALEZ	CMB CMO
KATHIE BROOKS	CMB OMBPI
JOSE CRUZ	II II
ELIZABETH JUDD	AFSME REP.